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## CONFIDENTIAL VILNIUS 000022

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TAGS: ENRG EPET PREL MOPS
SUBJECT: MEETING BETWEEN EUR ASSISTANT SECRETARY DANIEL
FRIED AND LITHUANIAN FOREIGN MINISTER VYGAUDAS USACKAS,
PRAGUE, JANUARY 8, 2009

Classified By: DCM Damian Leader for reasons 1.4 (b) and (d).

- 11. (C) Summary: A/S Fried and FM Usackas discussed the continuing negotiations to resolve the gas cut-off to Ukraine. They agreed that Russia had shown itself to be an unreliable supplier, and the current crisis may build support for greater diversification of supplies. A/S Fried stressed to need to try to work constructively with Russia, while pushing back when necessary. He said that the re-unification of Georgia will be a long-term project. FM Usackas asked for assistance in meeting with Secretary-designate Clinton in February, for continued NATO Air Policing, and defense planning. A/S Fried assured him of U.S. support for Air Policing and NATO defense planning. He further urged Lithuania to act now on Jewish communal property restitution, which FM Usackas promised to do. FM Usackas concluded by asking A/S Fried to convey to the Secretary his deep appreciation for her support of Lithuania's inclusion in NATO. End Summary.
- 12. (C) A/S Fried began the meeting by noting that the EU Foreign Ministers statement on Ukraine was adequate. It was now clearer than ever that the (German) argument that Russia needed the EU as a gas consumer and thus had no leverage over Europe was flawed. Russia is not a reliable supplier of gas. FM Usackas said Ukraine appears to be acting in good faith, and this is increasingly the view among EU foreign ministers. A/S Fried replied that the problem is and remains Ukraine's unending political paralysis; the impasse in Kiev erodes its credibility. However, Russian PM Putin's January 5 television appearance convinced many, who earlier thought both parties were at fault, that Russia has politicized this commercial dispute.
- 13. (C) FM Usackas said that France is now a positive force within EU discussions, stressing that Russia is flexing its muscles and was encouraged that the Commission has spoken strongly in support of the Nabucco pipline, reflecting growing understanding of the need to invest in alternate routes. A/S Fried responded that he made that same point during the 2006 cutoff, but the Europeans have not seriously pursued alternate routes since.
- 14. (C) FM Usackas agreed that the real problem is energy inter-connectivity, and that he is pushing to get the Baltic countries better connected. This would include building an electrical link to Sweden, which could be done within a year if there is political will. The current gas crisis may help Lithuania address its energy isolation, FM Usackas said, by providing a sense of urgency. A German diplomat had told him earlier that day that the crisis will, in a similar manner, help his government explain to its citizens why it should reach out to the Caucasus, since that region is the key to several present and potential transit pipelines. A/S Fried said he understood that German public opinion is less favorable toward Russia's energy policy now; this was overdue, but welcome.
- 15. (C) FM Usackas said he wants to visit Washington for the formal re-opening of the Lithuanian Embassy on February 16, and he would like to meet with Secretary-designate Clinton. A/S Fried said that he could not speak for the new administration. He observed that in March, Secretary-designate Clinton may in Europe for the NATO

ministerial.

- 16. (C) A/S Fried raised the issue of Jewish communal property restitution with FM Usackas. He noted he had raised it a year earlier, and it is something that Lithuania must do now. It is losing the support of key people in the American Jewish community, and the GOL must work with its friends in that community to reach agreement on an adequate program for restitution. The issue will not go away and the new administration will not understand why Lithuania is fifteen years behind Poland (for example) in taking action. FM Usackas said that Lithuania is moving on this, but that there are domestic political complications, as well as divisions within the Lithuanian Jewish community. He promised A/S Fried that Lithuania would resolve Jewish communal property restitution soon.
- 17. (C) FM Usackas then asked A/S Fried to support continued NATO Air Policing in the Baltic countries. A/S Fried said he supported maintaining the program. FM Usackas replied that Lithuania wants more defense planning, and A/S Fried said that we are handling this issue through NATO -- U.S. NATO Ambassador Volker is a strong supporter.
- 18. (C) FM Usackas concluded by asking A/S Fried to convey to the Secretary his thanks for all of her work and leadership in bringing Lithuania into NATO. A/S Fried promised to do so, while also encouraging FM Usackas to write directly to the Secretary once she leaves office.
- 19. (U) Assistant Secretary Fried has cleared this message.

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